

## Registre de Commerce et des Sociétés

Numéro RCS : B202560

Référence de dépôt : L160269462

Déposé et enregistré le 03/01/2017

RCSL Nr. : B202560

Matricule : 2015 2468 602

## ABRIDGED BALANCE SHEET

Financial year from <sup>01</sup> 09/12/2015 to <sup>02</sup> 27/12/2015 (in <sup>03</sup> USD )

JBS Clervaux Finance S.à r.l.

8-10, avenue de la Gare

L-1610 Luxembourg

## ASSETS

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible fixed assets	1109 _____	109 <u>8.937.983.752,68</u>	110 _____
II. Tangible fixed assets	1111 _____	111 _____	112 _____
III. Financial fixed assets	1125 _____	125 _____	126 _____
	1135 _____ <u>3</u>	135 <u>8.937.983.752,68</u>	136 _____
<b>D. Current assets</b>			
I. Inventories	1151 _____	151 <u>747.502,73</u>	152 _____
II. Debtors	1153 _____	153 _____	154 _____
	1163 _____	163 <u>727.666,99</u>	164 _____
a) becoming due and payable within one year	1203 _____ <u>3</u>	203 <u>727.666,99</u>	204 _____
b) becoming due and payable after more than one year	1205 _____	205 _____	206 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>19.835,74</u>	198 _____
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		<sup>201</sup> <u>8.938.731.255,41</u>	<sup>202</sup> <u>0,00</u>

The notes in the annex form an integral part of the annual accounts

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**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 _____	301 <u>8.538.094.811,79</u>	302 _____
I. Subscribed capital	1303 _____ 4	303 <u>910.604,00</u>	304 _____
II. Share premium and similar premiums	1305 _____ 4	305 <u>8.536.302.396,00</u>	306 _____
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>881.811,79</u>	322 _____
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
<b>B. Subordinated debts</b>	1329 _____ 6	329 <u>400.238.333,33</u>	330 _____
a) becoming due and payable within one year	1425 _____	425 <u>238.333,33</u>	426 _____
b) becoming due and payable after more than one year	1427 _____	427 <u>400.000.000,00</u>	428 _____
<b>C. Provisions</b>	1331 _____	331 _____	332 _____
<b>D. Non subordinated debts</b>	1339 _____	339 <u>398.110,29</u>	340 _____
a) becoming due and payable within one year	1407 _____ 7	407 <u>398.110,29</u>	408 _____
b) becoming due and payable after more than one year	1409 _____	409 _____	410 _____
<b>E. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (LIABILITIES)</b>		405 <u>8.938.731.255,41</u>	406 <u>0,00</u>

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## PROFIT AND LOSS ACCOUNT

Financial year from <sup>01</sup> 09/12/2015 to <sup>02</sup> 27/12/2015 (in <sup>03</sup> USD )

JBS Clervaux Finance S.à r.l.

8-10, avenue de la Gare

L-1610 Luxembourg

## A. CHARGES

	Reference(s)	Current year	Previous year
<b>1. Use of merchandise, raw materials and consumable materials</b>	1601 _____	601 _____	602 _____
<b>2. Other external charges</b>	1603 _____	603 <u>34.069,54</u>	604 _____
<b>3. Staff costs</b>	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
<b>4. Value adjustments</b>	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
<b>5. Other operating charges</b>	1621 _____	621 _____	622 _____
<b>6. Value adjustments and fair value adjustments on financial fixed assets</b>	1623 _____	623 _____	624 _____
<b>7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities</b>	1625 _____	625 _____	626 _____
<b>8. Interest and other financial charges</b>	1627 _____	627 <u>238.333,33</u>	628 _____
a) concerning affiliated undertakings	1629 <u>6</u>	629 <u>238.333,33</u>	630 _____
b) other interest and similar financial charges	1631 _____	631 _____	632 _____

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	Reference(s)	Current year	Previous year
<b>9. Share of losses of undertakings accounted for under the equity method</b>	1649 _____	649 _____	650 _____
<b>10. Extraordinary charges</b>	1633 _____	633 _____	634 _____
<b>11. Income tax</b>	1635 _____ <u>7</u>	635 _____ <u>364.037,02</u>	636 _____
<b>12. Other taxes not included in the previous caption</b>	1637 _____	637 _____	638 _____
<b>13. Profit for the financial year</b>	1639 _____	639 _____ <u>881.811,79</u>	640 _____
<b>TOTAL CHARGES</b>		641 _____ <u>1.518.251,68</u>	642 _____ <u>0,00</u>

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**B. INCOME**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Change in inventories of finished goods and of work and contracts in progress</b>	1703 _____	703 _____	704 _____
<b>3. Fixed assets under development</b>	1705 _____	705 _____	706 _____
<b>4. Reversal of value adjustments</b>	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
<b>5. Other operating income</b>	1713 _____	713 _____	714 _____
<b>6. Income from financial fixed assets</b>	1715 _____	715 <u>435.787,00</u>	716 _____
a) derived from affiliated undertakings	1717 <u>8</u>	717 <u>435.787,00</u>	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>7. Income from financial current assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
<b>8. Other interest and other financial income</b>	1727 _____	727 <u>1.082.464,68</u>	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 <u>3</u>	731 <u>1.082.464,68</u>	732 _____
<b>9. Share of profits of undertakings accounted for under the equity method</b>	1745 _____	745 _____	746 _____
<b>10. Extraordinary income</b>	1733 _____	733 _____	734 _____
<b>13. Loss for the financial year</b>	1735 _____	735 <u>0,00</u>	736 _____
<b>TOTAL INCOME</b>		737 <u>1.518.251,68</u>	738 <u>0,00</u>

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Déposé le 03/01/2017

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***JBS Clervaux Finance***  
***S.à r.l.***  
***Société à responsabilité***  
***limitée***

Annual accounts as at  
27 December 2015

8-10 avenue de la Gare  
L-1610 Luxembourg  
Luxembourg  
**R.C.S. Luxembourg: B 202.560.**

**JBS Clervaux Finance S.à r.l.*****Notes to the annual accounts as at 27 December 2015******Note 1 - General information***

JBS Clervaux Finance S.à r.l. (hereafter the “Company”) was incorporated on 9 December 2015 and is organised under the laws of Luxembourg as a “Société à responsabilité limitée” for an unlimited period.

The Company was originally established at 6, rue Jean Monnet, L-2180 Luxembourg. With effect on 31 October 2016, the Company decided to move its registered office to 8-10 avenue de la Gare, L-1610 Luxembourg.

The Company’s financial year begins the Monday following the last Sunday of December each year and ends on the last Sunday of the month of December the year after with the exception of the first financial period which began on 9 December 2015 (date of incorporation) and ended on 27 December 2015.

The object of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Company may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of intellectual property rights of any nature or origin whatsoever. It may open branches in Luxembourg and abroad.

The Company may generally carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its purposes.

Based on the criteria defined by Luxembourg law, the Company is exempt from the obligation to draw up consolidated annual accounts and a consolidated management report for the year. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis to be approved by the shareholders during the Annual General Meeting.

The Company is included in the consolidated accounts of JBS S.A. forming the largest body of undertakings of which the Company forms a part as a subsidiary. The registered office of that company is located at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º Andar, City of São Paulo, State of São Paulo, Brazil and the consolidated accounts are available at this address.

In addition the Company is included in the consolidated accounts of Burcher Pty. Ltd. forming the smallest body of undertakings of which the Company forms a part as a subsidiary. The registered office of that company is located at 1 Lock Way Riverview, Brisbane QLD 4303, Australia and the consolidated accounts are available at this address.

**JBS Clervaux Finance S.à r.l.**

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***Notes to the annual accounts as at 27 December 2015******Note 2 - Summary of significant accounting policies******2.1 Basis of preparation***

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***2.2 Significant accounting policies***

The main accounting policies and valuation rules applied by the Company are the following:

***2.2.1 Financial fixed assets***

Shares in affiliated undertakings and loans to these undertakings are respectively valued at purchase price and nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

***2.2.2 Debtors***

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

***2.2.3 Foreign currency translation***

The Company maintains its books and records in United States Dollars (USD).

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.



**JBS Clervaux Finance S.à r.l.*****Notes to the annual accounts as at 27 December 2015***

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

**2.2.4 Debts**

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

**2.2.5 Financial instruments**

The Board of Managers of the Company decided to opt for the application of the substance over form approach for financial instruments. Therefore, financial instruments such as Mandatory Redeemable Preferred Shares (hereafter the "MRPS") are classified as debts. Their related remuneration is recorded as interest and other financial charge.

**Note 3 - Financial fixed assets**

The movements of the year are as follows:

	Shares in affiliated undertakings (USD)	Loans held as fixed assets (USD)
<b>Gross book value - opening balance</b>	-	-
Additions for the year	22,209,612,539.68	8,937,193,000.00
Disposals for the year	(13,671,628,787.00)	(8,537,193,000.00)
<b>Gross book value - closing balance</b>	<b><u>8,537,983,752.68</u></b>	<b><u>400,000,000.00</u></b>
<b>Depreciation - opening and closing balance</b>	-	-
<b>Net book value - closing balance</b>	<b><u>8,537,983,752.68</u></b>	<b><u>400,000,000.00</u></b>
<b>Net book value - opening balance</b>	<u>-</u>	<u>-</u>

**JBS Clervaux Finance S.à r.l.*****Notes to the annual accounts as at 27 December 2015***

Undertakings in which the Company holds at least 20% share capital are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Ownership</b>	<b>Balance sheet date</b>	<b>Net equity at balance sheet date</b>	<b>Result for the last financial year</b>	<b>Net investment amount</b>
				<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>
JBS Finco, Inc.	U.S.	100.00%	27/12/15	8,538,094,046.95	546,082.27	<u>8,537,983,752.68</u>
					<b>Total</b>	<b>8,537,983,752.68</b>

The Management of the Company is of the opinion that no permanent diminution in the value of this investment has occurred and that the fair value of this investment is higher than its net book value, and therefore no impairment has been booked.

Loans held as fixed assets are composed as follows:

<b>Date of the loan agreement</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Nominal as at 27 December 2015</b>	<b>Interest for the year</b>	<b>Accrued interest as at 27 December 2015</b>
			<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>
18.12.2015	0.56%	N/A	(*)	354,964.68	(*)
18.12.2015	7.275%	18.12.2025	400,000,000.00	727,500.00	727,500.00
		<b>Total</b>	<b>400,000,000.00</b>	<b>1,082,464.68</b>	<b>727,500.00</b>

(\*) During the year, this loan and the related accrued interest have been transferred by the Company to an affiliated undertaking.

**JBS Clervaux Finance S.à r.l.*****Notes to the annual accounts as at 27 December 2015******Note 4 - Subscribed capital and share premium account***

The Company was incorporated with a subscribed capital of USD 20,000.00 divided into 20,000 shares fully paid up with a par value of USD 1.00 each.

The movements on the "Subscribed capital" and on the "Share premium and similar premiums" items during the year are as follows:

	<b>Subscribed capital</b>	<b>Share premium and similar premium</b>
	<b>(USD)</b>	<b>(USD)</b>
<b>As at incorporation date</b>	<b>20,000.00</b>	<b>-</b>
Movements for the year:		
• share capital increase (1)	428,372.00	4,202,764,628.00
• share capital increase (2)	339,582.00	3,183,660,418.00
• share capital increase (3)	<u>122,650.00</u>	<u>1,149,877,350.00</u>
<b>As at balance sheet date</b>	<b><u>910,604.00</u></b>	<b><u>8,536,302,396.00</u></b>

(1) On 18 December 2015, the Company increased its share capital, by the issuance of 428,372 shares having a par value of USD 1.00 each, together with its share premium. The subscription price was paid by way of a contribution in kind amounting to USD 4,203,193,000.00 consisting in shares in another group company.

(2) On 24 December 2015, the Company increased its share capital, by the issuance of 339,582 shares having a par value of USD 1.00 each, together with its share premium. The subscription price was paid by way of a contribution in kind amounting to USD 3,184,000,000.00 consisting in shares in another group company.

(3) On 24 December 2015, the Company increased its share capital, by the issuance of 122,650 shares having a par value of USD 1.00 each, together with its share premium. The subscription price was paid by way of a contribution in kind amounting to USD 1,150,000,000.00 consisting in shares in another group company.

***Note 5 - Legal reserve***

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

**JBS Clervaux Finance S.à r.l.*****Notes to the annual accounts as at 27 December 2015******Note 6 - Subordinated debts***

Subordinated debts are composed of the following loan with a group company:

<b>Date of the loan agreement</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Nominal as at 27 December 2015</b>	<b>Interest for the year</b>	<b>Accrued interest as at 27 December 2015</b>
			<b>(USD)</b>	<b>(USD)</b>	<b>(USD)</b>
24.12.2015	7.15%	24.11.2025	400,000,000.00	238,333.33	238,333.33
		<b>Total</b>	<b>400,000,000.00</b>	<b>238,333.33</b>	<b>238,333.33</b>

Following the accounting policy described in the note 2.2.5 the MRPS issued by the Company during the year have been classified as debt as they are mandatorily redeemable at the latest one month before their tenth anniversary and bear a fixed interest.

***Note 7 - Tax***

The Company is subject in Luxembourg to all taxes applicable to Luxembourg companies.

The amount of USD 364,037.02 shown under the caption "Income tax" corresponds to the corporate income tax and municipal business tax accrual for the year 2015 and is also representing the main component of the amount shown under the caption "Non-subordinated debts - becoming due and payable within one year".

***Note 8 - Income from financial fixed assets***

During the year, affiliated undertakings of the Company have been liquidated with a gain of USD 435,787.00.

***Note 9 - Off-balance sheet commitments***

The Company has no off-balance sheet commitments at year end.

***Note 10 - Subsequent events***

No significant event has occurred since the balance sheet date.

*JBS Clervaux Finance S.à r.l.*

Société à responsabilité limitée

Registered address : 8-10, avenue de la Gare  
L-1610 Luxembourg  
R.C.S. Luxembourg B 202560  
(the "**Company**")

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**ALLOCATION OF THE RESULT OF THE COMPANY**

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Following the unanimous resolution of the annual general meeting of the shareholders of the Company held on 23 December 2016 regarding the approval of the Company's annual accounts as at 27 December 2015, the profit amounting to USD 881,811.79 made during the financial year ended 27 December 2015 is allocated as follows :

- an amount of USD 44,090.59 shall be added to the statutory reserves of the Company that are to be maintained in accordance with the provisions of the Company's articles of association and the article 197 of the Luxembourg Companies' Act of August 10, 1915 (as amended from time to time); and
- an amount of USD 837,721.20 shall be reported to the next financial year.

#VPC:REPLUX88536#